

Enterprise FLORIDA, Inc.

The Atrium Building, Suite 201 , 325 John Knox Road
Tallahassee, Florida 32303
850/488-6300 , Fax: 850/922-9595
<http://www.eflorida.com/>

PARTNER INFORMATION

CAPITAL INVESTMENT TAX CREDIT

How It Works

SUMMARY

The **Capital Investment Tax Credit** is used to attract and grow capital-intensive industries in Florida. It is an annual credit against the corporate income tax for up to 20 years in an amount up to five (5%) percent of the eligible capital costs generated by a qualifying project. Eligible capital costs include all expenses incurred in the acquisition, construction, installation, and equipping of a project from the beginning of construction to the commencement of operations.

AMOUNT OF CREDIT

The annual credit may not exceed a specified percentage of the annual corporate income tax liability generated by the project. Those percentages are:

- One hundred percent, for a project with a cumulative capital investment of at least \$100 million;
- Seventy-five percent, for a project with a cumulative capital investment of at least \$50 million but less than \$100 million; and
- Fifty percent, for a project with a cumulative capital investment of at least \$25 million but less than \$50 million.

ELIGIBILITY

In order to participate in the program, a company must apply to Enterprise Florida and be certified by the Governor's Office of Tourism, Trade and Economic Development (OTTED) **prior to the commencement of operations**. In order to qualify for consideration under the program, an applicant must:

- Be in a designated high impact sector (silicon technology; transportation equipment manufacturing—SICs 372, 376 and 3711; or information technology—SICs 357, 366, 367, 481, 482 and 737);
- Create at least 100 new jobs in Florida in connection with the project; and
- Make a cumulative capital investment of at least \$25 million in connection with the project during the period from the beginning of construction to the commencement of operations.

APPLICATION PROCESS

- EFI staff will shepherd businesses and communities through the entire application process, ensuring that the company understands the application and what is required for a complete, effective application.
- EFI will review the completed application and report its evaluation and recommendation to the Director of OTTED.

APPROVAL PROCESS

- The certification process includes an evaluation of the project's impact on the local, regional and state economies.
- The business will receive written notification of the Director's approval or disapproval of the application for certification. If the application is approved, the certification will be returned to the applicant and should be attached to the applicant's tax return for filing with DOR.

BUSINESS AND DEPARTMENT OF REVENUE SIGN AGREEMENT

- EFI staff will provide the business with the appropriate contacts within DOR and will continue to assist, as necessary, in this process.
- Upon receipt of the certification, the DOR enters into an agreement with the qualifying business.

CLAIMING THE CREDIT

- Prior to receiving tax credits, the qualifying business must achieve the minimum employment goals beginning with the commencement of operations at a qualifying project. The qualifying business will also demonstrate achievement of the employment goal to OTTED by providing the requested documentation prior to the time the corporate income tax would otherwise be due.
- At the time the corporate income tax would otherwise be due, the company will submit an income statement that identifies income generated by or arising out of the qualifying project along with its tax return. The completed tax return must also indicate the amount of corporate income tax credit claimed, based upon the accompanying statement.
- Each year thereafter during which tax credits are available, the qualifying business must demonstrate to OTTED that it has maintained the job creation and capital investment levels required which are subject to audit by DOR. Credits granted may **not** be carried forward or backward with respect to a subsequent or prior year.

Statutory Reference: [Section 220.191, Florida Statutes](#)